



Comptroller General
of the United States
Washington, D.C. 20548

Decision

Matter of: Jack Faucett Associates

File: B-238367.6

Date: August 30, 1991

Jack G. Faucett for the protester.
D. Brian Costello, Esq., Costello & Hubacher, for Resource Applications, Inc., an interested party.
Gregory Petkoff, Esq., and Paul D. Warring, Esq., Department of the Air Force, for the agency.
Glenn G. Wolcott, Esq., and Paul I. Lieberman, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Agency reasonably concluded that protester's low-cost, "acceptable" proposal was not as advantageous to the government as a higher-cost, "exceptional" proposal where the protester's lower evaluation largely resulted from the fact that its proposal displayed a lack of understanding of the most important work required under the RFP, and the evaluation criteria provided that technical quality was more important than cost.

DECISION

Jack Faucett Associates (Faucett) protests the Department of the Air Force's rejection of its proposal under request for proposals (RFP) No. F49642-89-RA190. Faucett asserts that because its proposal was determined to be within the competitive range and proposed a lower cost than that of the awardee, Faucett should have been awarded the contract.

We deny the protest.

BACKGROUND

The Air Force issued the RFP on August 28, 1989, seeking proposals to provide diversified environmental technical support services for the Air Force on a task order basis.

Amendment 1 advised offerors that, "[t]he main purpose of this contract is to support the Air Staff with policy level issues and information transfer. . . . [O]ur intent is for the contract to mainly support [Air Force Headquarters]."

Section M of the RFP provided that award would be based on the best overall proposal considering, in descending order of importance, technical, management, and cost factors. The RFP identified seven specific performance categories for evaluation under the technical factor.^{1/} It also established a color-coded/adjectival rating scheme for evaluating technical proposals as blue/exceptional, green/acceptable, yellow/marginal, and red/unacceptable, and provided for assessment of risk associated with each proposal.

Initial proposals were received on October 30, 1989. Revised proposals were received on March 23, 1990, and best and final offers (BAFOs) were received on June 19, 1990. In its March 23 revised proposal, Faucett proposed a cost in excess of \$10 million. In its June 19 BAFO, Faucett dropped its proposed cost to less than \$8 million.^{2/} Based on this latter proposed cost, Faucett was the low-cost offeror.

Technical proposals were evaluated separately from cost proposals. The consensus evaluation of the technical evaluation team was that Faucett's proposal was "green/acceptable" in each of the seven technical performance categories. Faucett's proposal was rated as only "green/acceptable" because it primarily discussed work to be performed at the site level (i.e. at the base or installation)--and not policy-level work to be performed for the Air Force Headquarters staff.

By memorandum dated August 16, 1990, the chairman of the source selection evaluation team (SSET) summarized the results of the technical evaluation of proposals: three proposals

^{1/} The seven categories, listed in descending order of importance, were: (1) hazardous waste management and remediation; (2) environmental assessments and environmental impact statements; (3) environmental compliance evaluations; (4) environmental reviews; (5) information management; (6) training seminars and information meetings; and (7) developing manuals, pamphlets, and guidebooks.

^{2/} The contract called for submission of labor rates which formed the basis for evaluation of costs. Actual performance is to be performed on a task order basis.

were rated as blue/exceptional; three proposals--including Faucett's--were rated green/acceptable; and one proposal was rated yellow/marginal..

On March 13, 1991, the source selection authority (SSA) issued the source selection decision document (SSDD) selecting one of the "blue/exceptional" proposals as providing the best overall value to the government. Attached to the SSDD was the SSA's integrated assessment of proposals. This document explained that the advantages of the proposed awardee's technically "exceptional" proposal outweighed the cost advantages of Faucett's lower-cost,^{3/} technically "acceptable" proposal.^{4/}

In commenting on the agency's report, Faucett asserts that it "address[ed] the tasks as set forth in the RFP," arguing that this should have been sufficient to demonstrate its capabilities. Faucett does not otherwise challenge the Air Force's conclusion that its proposal was "green/acceptable." Rather, Faucett protests the rejection of its low-cost offer "even though [Faucett] was determined to be within the competitive range and had been deemed to have a proposal with no technical deficiencies."

In reviewing an agency's selection decision, we will examine an agency's evaluation to ensure that it was reasonable and consistent with the stated evaluation criteria. Unisys Corp., B-232634, Jan. 25, 1989, 89-1 CPD ¶ 75. The determination of the relative desirability and technical adequacy of proposals is primarily a function of the procuring agency which enjoys a reasonable range of discretion in proposal evaluation. Biological Research Faculty & Facility, Inc., B-234568, Apr. 28, 1989, 89-1 CPD ¶ 409. Agency officials have broad discretion in determining the manner and extent to which they will make use of technical and cost evaluation results. Cost/technical trade-offs must be made and the extent to which one may be sacrificed for the other is governed only by the test of rationality and consistency with the established

^{3/} Faucett's proposed cost was approximately 30 percent lower than that of the proposed awardee.

^{4/} The SSA also stated that he believed Faucett's proposal contained high risk. However, because the record establishes that the agency reasonably rejected Faucett's proposal on the basis of its cost/technical trade-off between Faucett's low-cost "green/acceptable" proposal and the proposed awardee's higher-cost, "blue/exceptional" proposal, we need not reach the issue of the agency's risk assessment of Faucett's proposal.

evaluation factors, Grey Advertising, Inc., 55 Comp. Gen. 1111 (1976), 76-1 CPD ¶ 325. Award may be made to a higher-rated, higher-cost offeror where the agency reasonably determines that the technical superiority of the higher-cost offer outweighs the cost difference. Systems & Processes Eng'g Corp., B-234142, May 10, 1989, 89-1 CPD ¶ 441.

Here, the RFP expressly advised offerors that the contract's primary purpose would be to provide support for Air Force Headquarters regarding policy level issues and information transfer. Faucett's proposal was determined to be "acceptable," but not "exceptional," in significant part because the proposal did not demonstrate an understanding of the policy-level work that would be required to support the Air Force Headquarters staff. Faucett's proposal gave only limited treatment to policy-level support work for Air Force Headquarters, focusing instead on the more site-specific, collateral aspects of the RFP's requirements. In particular, the Air Force downgraded Faucett's proposal because of its minimal treatment of policy-level support with regard to the most important technical performance category, hazardous waste management and remediation.

In view of Faucett's minimal treatment of the most important aspect of the work to be performed under the contract, we think the Air Force could reasonably conclude that the proposal demonstrated a limited understanding of the RFP requirements and was merely "acceptable." Moreover, since under the evaluation criteria technical factors were paramount, we find it reasonable for the Air Force, in making its trade-off, to conclude that Faucett's low-cost, "green/acceptable" proposal was not as advantageous to the government as the awardee's higher-cost, "blue/exceptional" proposal. See Sabreliner Corp., B-242023; B-242023.2, Mar. 25, 1991, 91-1 CPD ¶ 326.


Faucett also protests that the Air Force improperly evaluated offerors' proposals when it considered the performance categories identified in section M of the RFP in the context of providing policy-level input for Air Force Headquarters staff. We disagree.

Contracting agencies are required by statute to include in solicitations all significant evaluation factors and their relative importance. 10 U.S.C. § 2305(a)(2)(A) (1988). The Federal Acquisition Regulation (FAR) also requires that solicitations disclose "any significant subfactors" to be considered in the award decision." FAR § 15.605(e). Under the law applicable to this procurement, the contracting agency

did not have to specifically identify the subfactors comprising the evaluation criteria if the subfactors were reasonably related to the stated criteria, Washington Occupational Health Assocs., Inc., B-222466, June 19, 1986, 86-1 CPD ¶ 567, and the correlation was sufficient to put offerors on notice of the additional criteria to be considered. Kaiser Elecs., 68 Comp. Gen. 48 (1988), 88-2 CPD ¶ 448.

Here, the RFP identified various technical and management performance areas in which proposals would be evaluated and expressly advised offerors that the main purpose of the contract was to provide policy-level support to the Air Force. Thus, offerors were reasonably placed on notice that their proposals would be evaluated in the performance areas identified in the RFP in the context of providing policy-level support to the Air Force. Wyle Laboratories, B-239671, Sept. 19, 1990, 90-2 CPD ¶ 231.

The protest is denied.


for James F. Hinchman,
General Counsel.